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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

125 BROAD PARTNERS LLC,

Case No. 24-42130 (ESS)

Debtor.
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**DECLARATION OF DAVID GOLDWASSER PURSUANT
TO LOCAL BANKRUPTCY RULE 1007-4**

DAVID GOLDWASSER, under penalties of perjury, hereby declares and states as follows:

1. I am the Chief Restructuring Officer (“CRO”) of 125 Broad Partners LLC (the “Debtor”), and I submit this Declaration pursuant to Rule 1007-4 of the Local Rules for the United States Bankruptcy Court for the Eastern District of New York.

PART I

BACKGROUND

2. The Debtor was organized under the laws of the State of New Jersey on November 27, 2019. The Debtor is a limited liability company organized under the laws of New Jersey, whose management operates at 543 Bedford Avenue, Suite 317, Brooklyn, New York 11211.

3. On February 20, 2020, the Debtor acquired real property located at 125 Broad Street, Elizabeth, New Jersey 07201 (the “Property”). The Property is a 14-story tower in downtown Elizabeth, known colloquially as the “Hersch Tower”.

4. The Property is a historic art deco style building built in 1931 and has been vacant since prior to the Debtor's acquisition.

5. When the Debtor acquired the Property on February 20, 2020, the acquisition cost \$13,000,000, which was partially funded by a \$8,500,000 loan from Levon NJ CXX LLC ("Levon") entered into on February 10, 2020, with the rest of the balance funded by the Debtor through equity contributions and unsecured loans.

6. Although the Property has already obtained approval for a conversion of floors two through eleven to residential rental units, due to the acquisition occurring on the eve of the Covid 19- Pandemic in March 2020, the Debtor's attempts to redevelop the Property were halted immediately. As a result, the Debtor defaulted on its loan to Levon.

7. On February 15, 2023, Levon commenced a mortgage foreclosure action in the Superior Court of New Jersey: Chancery Division, styled as *Levon NJ CXX LLC v. 125 Broad Partners LLC; Division of Fire Safety; and Joel Friedman* (the "Foreclosure Action").

8. Ultimately, Levon obtained a judgment of foreclosure on January 5, 2024. Levon was awarded a sum of \$13,162,582.35 and a foreclosure sale of the Property was then scheduled for May 15, 2024.

9. The Debtor disputes the amount awarded to Levon under the judgment since the allegedly accrued interest on the principal amount may be subject to disallowance under religious laws governing the parties with the dispute to be decided by the Beth Din Rabbinical Court in Brooklyn.

10. Simultaneously with and as a condition to entering into the loan with Levon, the Debtor and Levon entered into a *Heter Iska* agreement to get around the prohibition under Jewish religion that forbids the payment of interest from one Jewish party to another. Under the *Heter*

Iska, Levon was also granted a minority interest in the Debtor. Furthermore, under the *Heter Iska* the parties agreed that in the event of any dispute, they may resort to judicial forums as well as the Beth Din Rabbinical Court.

11. Accordingly, the Debtor is in the process of filing for arbitration before the Beth Din Rabbinical Court, which will be critical in determining the allowed amount of Levon's claim, which allowed amount the Debtor intends to pay in full through a sale or refinance of the Property while in Chapter 11.

12. To that end, on May 21, 2024, I was appointed as the CRO of the Debtor by its managing member. In order to protect and preserve the Debtor's interests, I exercised my rights as of the CRO of the Debtor and authorized the Debtor to file for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Eastern District of New York, on May 22, 2024 (the "Petition Date").

13. The Debtor intends to utilize the Chapter 11 process to restructure its debts, so that it may be able to effectively settle its debt with Levon, and successfully file a plan of reorganization under Chapter 11. The Debtor's goal is to either complete the renovation and development of the Property to obtain a refinance of the Property or to market and sell the Property via an auction and retention of an experienced real estate broker should it have to utilize this option.

14. With Bankruptcy Court approval, the Debtor intends to hire Northgate Real Estate Group as its real estate broker ("Northgate"). Northgate is a widely known and well experienced firm with respect to chapter 11 cases like this one, and the Debtor will move to retain Northgate as expeditiously as possible.

15. The needs and interests of the Debtor's creditors will be best served by the continued possession of its property and management of its affairs as a debtor in possession under

Chapter 11 until a restructuring plan can be formulated and presented to creditors.

PART II

INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007

16. In addition to the foregoing, E.D.N.Y. Local Bankruptcy Rule 1007-4 requires certain information related to the Debtor, which is set forth below.

17. The Debtor's property is located at 125 Broad Street, Elizabeth, New Jersey 07201, and the Debtor conducts its business at 543 Bedford Avenue, Suite 317, Brooklyn, New York 11211. The Debtor is engaged in the ownership of the Property as described above.

18. This case was not originally commenced under Chapter 7 or 13 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

19. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

20. A list of the names and addresses of the Debtor's 20 largest unsecured creditors, excluding those who would not be entitled to vote at a creditors' meeting and creditors who are "insiders" as that term is defined in §101(31) of the Bankruptcy Code is annexed hereto as **Schedule I.**

21. A schedule of the Debtor's 5 largest secured creditors is annexed hereto as **Schedule II.**

22. A summary of the Debtor's consolidated assets and liabilities is annexed hereto as **Schedule III.**

23. There are no publicly held securities of the Debtor.

24. None of the Debtor's property is in the possession of any custodian, public officer,

mortgagee, pledge, assignee of rents, or secured creditor, or any agent for such entity.

25. The Debtor does not lease the property, vehicles or equipment.

26. The Debtor's books and records and substantial assets are located at 543 Bedford Avenue, Suite 317, Brooklyn, New York 11211.

27. Upon information and belief, the only active lawsuit the Debtor is a party to is the Foreclosure Action.

28. The Debtor is currently managed by David Goldwasser as CRO.

29. The Debtor currently has 0 employees.

30. The Debtors' estimated gross weekly payroll and payments to managers, members, and directors for the thirty (30) day period following the Chapter 11 petition is \$0

31. The Debtor's estimated payroll to non-manager/non-insider employees for the thirty (30) day period following the Chapter 11 petition is approximately \$0.

32. A schedule, for the 30-day period following the filing of the Chapter 11 petition of estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees is annexed hereto as **Schedule IV**.

CONCLUSION

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: May 29, 2024

/s/ David Goldwasser
David Goldwasser, CRO

SCHEDULE I

CONSOLIDATED 20 LARGEST UNSECURED CREDITORS

See attached

Fill in this information to identify the case:Debtor name **125 Broad Partners LLC**United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**Case number (if known): **24-42130**☐ Check if this is an amended filing**Official Form 204****Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders****12/15**

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Amoroso Pantano, P.C. 25 Chubb Avenue 4th Floor South Tower Suite 1 Lyndhurst, NJ 07071		Legal Services				\$135,000.00
Baruch Rosenfeld 5 Lenore Avenue Monsey, NY 10952		Investor				\$1,365,000.00
Bernard A. Shafran, Esq. 49 West 37th Street Ninth Floor New York, NY 10018		Legal Services and Investment				\$1,800,000.00
C&B Consulting Engineers 14 Endeavor Boulevard Suite 101 Hightstown, NJ 08520						\$15,000.00
Chaim Hager 1253 47 Street Brooklyn, NY 11219		Investor				\$1,050,000.00
David Sofer 1377 40th Street 3rd Floor Brooklyn, NY 11218		Investor				\$950,000.00
Graviano & Gillis Architects & Planners LLC P.O. Box 3341 Long Branch, NJ 07740		Services				\$130,000.00

Debtor **125 Broad Partners LLC**
NameCase number (if known) **24-42130**

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Israel Goldstein 18 Spencer Street Suite 704, Unit #2 Brooklyn, NY 11205		Investor				\$250,000.00
Mark Rosenberg 800 NE 171 Terrace North Miami, FL 33162		Investor				\$1,350,000.00
Moses Fischer 18 Spencer Street Unit 704 Brooklyn, NY 11205		Investor				\$1,000,000.00
Moshe Indig 109 Rutledge Street Brooklyn, NY 11249		Investor				\$525,000.00
Powers & Company 1315 Walnut Street Suite 1717 Philadelphia, PA 19107		Services				\$125,000.00
Rifka Friedman 831 Bedford Avenue Suite 532 Brooklyn, NY 11205		Investor				\$1,225,000.00
Stephen F. Hehl, Esq. 370 Chestnut Street Union, NJ 07083		Legal Services				\$53,000.00
Union County 1976 Morris Avenue Union, NJ 07083				\$32,000.00	\$0.00	Unknown
Zelig Weiss 29 Little Nassau Street Suite 118 Brooklyn, NY 11205		Investor				\$1,650,000.00

SCHEDULE II

DEBTOR'S FIVE LARGEST SECURED CREDITORS

See Attached

Fill in this information to identify the case:Debtor name **125 Broad Partners LLC**United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**Case number (if known) **24-42130**☐ Check if this is an amended filing**Official Form 206D****Schedule D: Creditors Who Have Claims Secured by Property****12/15**

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	
2.1	Levon NJ CXX LLC <small>Creditor's Name</small> c/o Evan M. Newman Jacobowitz Newman Tversky 377 Pearsall Avenue Cedarhurst, NY 11516 <small>Creditor's mailing address</small> <small>Creditor's email address, if known</small> Date debt was incurred Last 4 digits of account number Do multiple creditors have an interest in the same property? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority. 1. Levon NJ CXX LLC 2. U.S. Small Business Admin	Describe debtor's property that is subject to a lien 125 Broad Street, Elizabeth, NJ 07201 Describe the lien Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	\$13,162,582.35	\$16,000,000.00

2.2	U.S. Small Business Admin <small>Creditor's Name</small> 2 North Street, Suite 320 Birmingham, AL 35203 <small>Creditor's mailing address</small> <small>Creditor's email address, if known</small> Date debt was incurred Last 4 digits of account number	Describe debtor's property that is subject to a lien 125 Broad Street, Elizabeth, NJ 07201 Describe the lien Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)	\$150,000.00	\$16,000,000.00
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Debtor **125 Broad Partners LLC**
NameCase number (if known) **24-42130****Do multiple creditors have an interest in the same property?**☐ No☒ Yes. Specify each creditor, including this creditor and its relative priority.**Specified on line 2.1****As of the petition filing date, the claim is:**

Check all that apply

☐ Contingent☐ Unliquidated☐ Disputed**2.3 Union County**

Creditor's Name

Describe debtor's property that is subject to a lien

\$32,000.00**\$0.00****1976 Morris Avenue
Union, NJ 07083**

Creditor's mailing address

Describe the lien**Real Estate Taxes****Is the creditor an insider or related party?**☒ No☐ Yes**Is anyone else liable on this claim?**☒ No☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Creditor's email address, if known

Date debt was incurred**Last 4 digits of account number****Do multiple creditors have an interest in the same property?**☒ No☐ Yes. Specify each creditor, including this creditor and its relative priority.**As of the petition filing date, the claim is:**

Check all that apply

☐ Contingent☐ Unliquidated☐ Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

**\$13,344,582.
35****Part 2: List Others to Be Notified for a Debt Already Listed in Part 1**

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did
you enter the related creditor?Last 4 digits of
account number for
this entity**Jacobowitz Newman Tversky
695 Cross Street
Suite 192
c/o Evan M. Newman
Lakewood, NJ 08701**Line **2.1**

SCHEDULE III

SUMMARY OF ASSETS AND LIABILITIES

See attached

Fill in this information to identify the case:Debtor name **125 Broad Partners LLC**United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**Case number (if known) **24-42130**☐ Check if this is an amended filing**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals****12/15****Part 1: Summary of Assets****1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ 16,000,000.00
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ 0.00
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ 16,000,000.00

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ 13,344,582.35
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ 0.00
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ 11,623,000.00
4. Total liabilities Lines 2 + 3a + 3b	\$ 24,967,582.35

SCHEDULE IV

30 DAY ESTIMATED INCOME AND EXPENSES

Income: \$0

Expenses:

RE Taxes (pro rated) \$10,600

Insurance (monthly financed premium) \$9,500

Utilities \$0.00